

BEFORE THE
PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA

DOCKET NO. 2020-61-E

IN RE: Request for Exception to)	RESPONSE TO DOMINION
Commission Regulation 103-327.A.)	ENERGY OF SOUTH
for Lakeview Retirement Community LLC)	CAROLINA'S LETTER
)	DATED FEBRUARY 14, 2020.

We respectfully request your careful consideration of the following Response to Dominion Energy of South Carolina's (DESC) letter objecting to the Request by Lakeview Retirement Community LLC (Petitioner). In this Response Petitioner provides the Public Service Commission (Commission) with additional information so that the Commission may make the most informed decision regarding Petitioner's Request for an Order approving an exception to the individual metering requirement under S.C. Code Regs. Ann. § 103-327.A. Pursuant to R. § 103-327.B., the Commission's determination is based on whether individual metering is **impractical and unreasonable** for Petitioner.

Standard of Review

R.103-327.A. and B. of the Commission's Rules and Regulations provides:

- A. All service delivered to new multi-occupancy residential premises at which units of such premises are separately rented, leased or owned shall be delivered by an electrical utility on the basis of individual meter measurement for each dwelling.
- B. Any exception to the provisions of paragraph A., supra, must be approved by the commission upon its determination that individual metering to such premises is **impractical and unreasonable**.

Response

In a letter dated February 14, 2020, DESC seemingly based its objections on a standard of impossibility, as opposed to the Regulatory standard of **impractical and unreasonable**. The following responsive information addresses each of DESC's objections.

1. DESC asserts it individually meters *similar* multi-unit residential facilities. However, a standard apartment complex is not comparable to the building and use of the Petitioner's Lakeview Retirement Community (Premises of Facility). The Premises are comprised of one building with common areas and living units. The common areas, including commercial kitchens and dining areas, make up approximately 40% of the entire facility. The extent and type of the common areas are not likely present in other multi-unit residential facilities. The scale of the common areas makes individual metering of the living units impractical and unreasonable.
2. DESC asserts that Petitioner's operation of a single facility with individual meters, in another state, should preclude a determination that individual meters are unreasonable for Petitioner's new South Carolina Facility. Petitioner currently operates 33 multi-unit facilities and is set to open 7 more facilities this year. Only 1 of those 40 facilities has individual metering, because individual metering for this type of facility is impractical and unreasonable. Petitioner's single facility with individual metering is not located in South Carolina and operates in a jurisdiction without a regulatory exception such as is found in S.C. Code Regs. §103-327. It is not reasonable that one instance of individual metering in a different jurisdiction without the exception allowed by South Carolina law, should outweigh the reality that master metering, used at all of Petitioner's other projects, is reasonable. Further, DESC is the service provider for Petitioner's currently operating facility on Daniel Island, South Carolina. That property also does not have individual metering and has had none of the parade of horrors in DESC's letter. Again, although individually metering this type of facility may be possible, it is impractical and unreasonable.
3. DESC raises the issue of Energy Policy. Petitioner complies with the Energy Conservation Code through tracking the energy usage in each individual unit and this information is available to the residents. Installation of individual meters would be duplicative and wasteful. This facility will have aging residents with occupancies on average of a shorter duration than a standard multi-family complex.

Petitioner's structure of month-to-month leases at a bundled rental rate is more efficient than tracking individual payors. Furthermore, a flat rental rate is established for the convenience of the residents. It is in the best interest of Petitioner's aging residents not to receive multiple bills. The flat monthly rate alleviates the residents' stress of tracking individual bills for meals, transportation, cable, water, & electricity. The Project utilizes a bundled rental arrangement where residents will be charged a flat monthly rental rate that includes all utilities except personal telephone. Petitioner will not bill residents separately for electricity. The shared costs for the common areas, relative transitory occupancy of the residents, and all-inclusive nature of the rental arrangement between the Project and its residents, makes individual metering impractical, unreasonable and not in the customer's best interest.

4. DESC argues that Petitioner's good business practice of submitting two sets of plans (one with master metering and one with individual metering) makes individual metering reasonable. Petitioner submitted two sets of plans to DESC for the Lakeview Retirement Community in an effort to keep the project moving. Petitioner's business model of not separately billing residents for utilities will not change. The mere fact that individual metering is possible, does not make it practical or reasonable. Petitioner has begun construction with the single-meter concept, and significant additional cost would be required to modify the facility for individual unit metering. DESC inaccurately infers that because something is possible, it is most reasonable. Individual metering of this Facility is not impossible, however, it is both **impractical and unreasonable** which is the regulatory basis for granting an exception.
5. DESC maintains that individual metering "prevents the possibility of illegal submetering." As stated above, DESC is the service provider for Petitioner's master-metered Daniel Island facility. Petitioner does not and will not engage in such illegal actions. DESC's insinuation of possible illegal submetering is reckless speculation. South Carolina law specifically provides for the requested exception to individually monitor each dwelling at new multi-occupancy residential premises.

Petitioner, as a law-abiding company, sought this exception in accordance with the law.

6. DESC's interpretation of S.C. Code Ann. §58-27-10(7) fails to apply the specific exception found in both the statutory and the regulatory definition of 'electric utility.' Under the statutory definition, 'electric utility' specifically "shall not include a person, corporation, or municipality furnishing electricity only to himself or itself, their residents, employees, or tenants when such current is not resold or used by others." S.C. Code Ann. §58-27-10(7). Likewise, in the regulatory definition, 'electric utility' "shall not include a person, corporation, special purpose district or municipality furnishing electricity only to himself or itself, their resident employees or tenants when such current is not resold or used by others." S.C. Code Regs. §103-302(6). As explained in the Petition and herein, Petitioner shall only furnish electricity to itself or its residents, employees, or tenants. Petitioner does not bill its residents for utilities and will not resell or allow its electricity to be used by others. Further, this is irrelevant as to whether individual metering is impractical or unreasonable for this facility.

Specific Relief Sought

Required compliance with R.103-327.A., for Lakeview Residential Community would be impractical, unreasonable and economically unfeasible, and the added difficulty for Petitioner's aging residents is not in the public interest. We respectfully request that the Public Service Commission issue an Order approving an exception, in accordance with S.C. Code Regs. Ann. § 103-327.B., to the individual metering requirement under S.C. Code Regs. Ann. § 103-327.A. upon a determination that the individual metering requirement is impractical and unreasonable for Lakeview Retirement Community.



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